

## Message Text

UNCLASSIFIED

PAGE 01 TOKYO 09989 010627Z

21

ACTION EA-07

INFO OCT-01 ISO-00 EB-05 DRC-01 RSC-01 /015 W

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R 010600Z JUL 74

FM AMEMBASSY TOKYO

TO USDOC WASHDC

INFO SECSTATE WASHDC 3651

UNCLAS TOKYO 9989

FOR OIM/WELCH

E.O. 11652: N/A

TAGS: BEXP, JA

SUBJECT: GLOBAL MARKET SURVEY PROCESS CONTROL INSTRUMENTATION:

JAPAN

REF: USDOC 10552

1. TC RECEIVED SUPPLEMENTAL INFORMATION RESPONDING TO REFTEL FROM PACIFIC PROJECTS LTD. AND AIRMAILED 31 JULY TO OIM. PACIFIC PROJECTS EMPHASIZES THAT TWO FLOW DIAGRAMS HAVE BEEN SUBMITTED IN CONFIDENCE AND SHOULD BE TREATED BY COMMERCE ACCORDINGLY.

2. CONTRACTOR HAS PROVIDED FOLLOWING INFORMATION FOR CABLE REPLY:

A. REFTEL PARA 2-A, USDOC STATES PROCESS CONTROL INSTRUMENTS USUALLY COMPRISE AT LEAST 50 PERCENT OF INSTRUMENT IMPORTS, HOWEVER, JAPAN'S IMPORTS DIFFER FROM THOSE OF OTHER COUNTRIES BECAUSE DOMESTIC INDUSTRY IS QUITE SOPHISTICATED AND OUT OF TOTAL INSTRUMENT IMPORTS ONLY SOME 22-TO-34 PERCENT ARE PROCESS CONTROL INSTRUMENTS. TO OBTAIN IMPORTS FROM U.S. IN TABLE 3.22.02 WE FOLLOWED PROCEDURES OUTLINED BELOW:

B. WE USED U.S. EXPORT TABLE 2 SCHEDULE B COMMODITY BY COUNTRY DOMESTIC MERCHANDISE CUMULATIVE TO DECEMBER FOR 1970 TO 1972. WE OBTAINED TOTAL EXPORTS TO JAPAN IN UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 09989 010627Z

10 CLASSIFICATIONS OF CODE 729.52, 7 CLASSIFICATIONS IN CODE

861.97 AND ONE CLASSIFICATION IN CODE 861.99 COVERING ELECTRIC AND ELECTRONIC INSTRUMENTS AND NON-ELECTRONIC INSTRUMENTS AND PARTS.

C. PLS SEE APPENDIX B-3 MARKET RESEARCH SPECIFICATIONS DATED SEPT 1973. FOR VALVES WE DID NOT KNOW: WHICH OF SIX CLASSIFICATIONS UNDER CODE 719.92 WERE FOR PROCESS AND WHICH WERE FOR NON-PROCESS VALVES. THEREFORE, WE OBTAINED JAPANESE OFFICIAL IMPORT DATA FOR VALVES, AND ON THE BASIS OF INTERVIEWS WE DETERMINED THAT 26 PERCENT WERE PROCESS CONTROL VALVES IN 1972, THAT IS, DOL 6.1 MILLION OUT OF DOL 23.3 MILLION (SEE PAGES 17 AND 18).

D. REGARDING DISCREPANCY BETWEEN TABLES 3.22.01 AND 3.22.02 WE MAY HAVE USED WRONG EXCHANGE RATE AND WE MUST RECALCULATE.

E. REGARDING QUESTIIN AS TO SEEMING INCONSISTENCY OF GROWTH IN IMPORTS OF ALL INSTRUMENTS AND SLOWER GROWTH OF PROCESS INSTRUMENTS THERE WAS VERY LITTLE INVESTMENT IN PLANT AND EQUIPMENT BY PROCESS INDUSTRIES IN 1972 BECAUSE OF JAPANESE BUSINESS UNCERTAINTY IN FACE OF DOLLAR SHOCK. THEREFORE, TRULY PROCESS INSTRUMENT IMPORTS WERE SMALL. THE 1972 IMPORTS CONSISTED OF NON-PROCESS AND POLLUTION CONTROL INSTRUMENTS PREDOMINANTLY.

F. REFER TO SECTION 3.33.02-1 STARTING PAGE 106 ENDING 117 FOR INSTRUMENTS OTHER THAN THOSE WHICH ARE COMPUTER RELATED. INSTRUMENTS OF U.S. ORIGIN OF TUPES LISTED HAVE GOOD POTENTIAL MARKET. JAPAN'S ENGINEERING EXPERIENCE IN BUILDING VERY LARGE SCALE PETROCHEMICAL PLANTS IS OF RECENT ORIGIN AND THERE IS FEAR OF INDUSTRIAL ACCIDENTS AND POLLUTION. THEREFORE, JAPANESE PLANT BUILDERS TEND TO TURN TO THE U.S. FO SOPHISTICATED INSTRUMENTS AND SYSTEMS. EVEN IN STEEL INDUSTRY, JAPANESE LOOK TO THE U.S. FOR SOFTWARE COMPUTER INTERFACING AND HIERARCHY TECHNOLOGY. IN NUCLEAR POWER PROCESS CONTROL INSTRUMENTATION THE U.S. TECHNOLOGIES DOMINATE. SEE DOMINANCE OF IMPORTED INSTRUMENTATION IN TABLE 3.33.02-1-2 ON PAGE 113.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 09989 010627Z

G. ACCORDING TO MITI CENSUS OF MANUFACTURERS MARCH 1974, 33.6 PERCENT OR ONE-THIRD OF ORGANIC CHEMICAL SALES ARE ACCOUNTED FOR BY COMPANIES WHICH EMPLOY 1,000 PERSONS OR MORE. HOWEVER, IN CASE OF ETHYLENE, 64 PERCENT OF SALES ARE ACCOUNTED FOR BY COMPANIES WITH 1,000 OR MORE EMPLOYEES. SAME PROBABLY TRUE FOR PROPYLENE BUT DATA NOT AVAILABLE.

H. THE SUPPLIER FOR SENDAI REFINERY WAS MITSUBISHI  
ELECTRIC (A LICENSEE OF WESTINGHOUSE FOR MANY PRODUCTS)  
BUT WE DON'T KNOW WHETHER CONSOLE IS BASED ON JAPANESE  
OR WESTINGHOUSE TECHNOLOGY.  
HODGSON

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